

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2386 - SB 2603

February 20, 2018

SUMMARY OF BILL: Requires appeals of contested cases to be held in the chancery court nearest to the place of residence of the aggrieved person, in the chancery court nearest to the place where the cause of action arose, or in any court having subject matter jurisdiction, at the discretion of the aggrieved person.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$10,000/Attorney General

**Increase State Expenditures – Exceeds \$59,200/General Fund
Exceeds \$10,000/Attorney General**

Increase Federal Expenditures – \$49,200

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 4-5-322, a person who is aggrieved by a final decision in a contested case is entitled to judicial review and may institute such review by filing a petition in the chancery court of Davidson County, except persons aggrieved with a decision involving the Department of Children's Services, Department of Human Services, or a local board of education may file a petition for review in the county in which the petitioner resides.
- The proposed language would require appeals of contested cases to be held in a chancery court of the aggrieved person's choosing.
- The Attorney General's office represents the majority of state agencies during appeals of contested case rulings and subsequently bills such state agencies for reimbursement of time and any costs associated with travel.
- The proposed language would result in an increase in expenditures for the Attorney General, with an equal and corresponding increase in revenues for the Attorney General upon being reimbursed by state agencies from the General Fund.
- Due to multiple unknown variables such as the number of appeals of contested cases which will be filed annually, if the number of appeals will increase as a direct result of this legislation, the location of any appeal filed, the extent of any increase in reimbursement to the Attorney General which would not otherwise have occurred without this legislation, a precise increase in state expenditures to the General Fund and

HB 2386 - SB 2603

corresponding increase in revenue to the Attorney General cannot reasonably be determined; however, it is reasonably estimated to exceed \$10,000 annually.

- The Division of TennCare's Office of General Counsel represents TennCare for appeals of Medicaid eligibility.
- TennCare will require one additional Attorney 3 position in order to account for increased time and workload associated with traveling for appeals in various courts.
- Total recurring costs associated with an Attorney 3 position are estimated to be \$98,385 (\$76,300 salary + \$19,585 benefits + \$2,500 travel annually).
- Expenditures associated with the salary, benefits, and travel expenses of the Attorney 3 position are paid 50 percent by state expenditures and 50 percent by federal funding, resulting in a recurring increase in state expenditures of \$49,193 (\$98,385 x 50%) with a recurring increase in federal expenditures of \$49,193.
- The total recurring increase in state expenditures to the General Fund is estimated to exceed \$59,193 (\$49,193 Attorney 3 + \$10,000 additional reimbursement to Attorney General).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh